

SECTION 6. AMENDMENT AND TERMINATION

6.01. Amendment or Termination.

It is the intention of GTE that the Plan and its Component Benefits will continue indefinitely. However, GTE reserves the right to amend, modify, suspend, revoke, or terminate the Plan or any Component Benefit, in whole or in part, at any time and without notice, which right it hereby delegates to the Company or any committee thereof. The Plan and any Component Benefit may be amended retroactively.

6.02. Amendment of Schedule A.

Pursuant to the Trust Agreement, the Company may amend the Plan by adding a Component Benefit to, or removing a Component Benefit from, Schedule A.

6.03. Effect of Amendment or Termination.

- (a) No amendment to or termination of the Plan or any Component Benefit shall cause or permit the funds of the Plan held in the Trust to be used for any purpose other than the defrayal of administrative expenses and payment to participants and beneficiaries of the benefits provided for under a Component Benefit, except as provided in subsections 3.03 and 5.02(c) hereof.
- (b) Upon termination of any Component Benefit, the Trustee shall use the funds of the Plan held in the Trust to pay benefits that participants and beneficiaries have become entitled to receive under the terms of that Component Benefit as of the date of termination, and to pay the administrative expenses incurred by the Plan and the Trust before and in connection with the termination, both in accordance with the written direction of the Committee.
- (c) Upon termination of the Plan, the Trustee shall use the funds of the Plan held in the Trust to pay benefits that participants and their designated beneficiaries have become entitled to receive under the terms of the Plan, and to pay the administrative expenses incurred by the Plan and the Trust before and in connection with the termination, both in accordance with the written direction of the Committee. The Trustee shall dispose of the Plan's remaining funds held in the Trust in accordance with the written direction of the Committee. Such direction shall require the funds to be disposed of for the sole benefit of participants in the Plan and their beneficiaries, except as provided in subsections 3.03 and 5.02(c) hereof.

SECTION 7. MISCELLANEOUS

7.01. Segregation of Trust Assets.

The Trustee may, pursuant to the Trust Agreement, segregate part of the funds held in the Trust and hold such segregated funds in a separate trust. With respect to the separate trust, the Plan shall be construed to apply to such trust; any reference herein to "Trust" shall refer to the trust; any reference herein to "Company" shall refer to the employer whose contributions to the Trust are held in the separate trust; and any reference herein to "Committee" shall refer to such employer's committee appointed to administer the Plan with respect to the trust.

7.02. Governing Law.

- (a) The Plan shall be governed by and administered under the Employee Retirement Income Security Act of 1974, as amended from time to time, and, to the extent not preempted thereby, under the laws of the State of Connecticut.
- (b) Except as otherwise provided in a Component Benefit, the Component Benefits shall be governed by and administered under the Employee Retirement Income Security Act of 1974, as amended from time to time, and, to the extent not preempted thereby, under the laws of the State of Connecticut.

7.03. Agent for Service of Process.

Service of legal process involving the Plan may be delivered to the Committee at: One Stamford Forum, Stamford, CT 06904.

7.04. No Vested Rights.

To the maximum extent permitted by law, no person shall acquire any right, title, or interest in or to any portion of the Trust otherwise than by the actual payment or distribution of such portion under the provisions of the Plan or a Component Benefit, or acquire any right, title, or interest in or to any benefit referred to or provided for in the Plan or any Component Benefit otherwise than by actual payment of such benefit.

7.05. Information to be Furnished.

Any person eligible to receive benefits hereunder shall furnish to the Committee any information or proof requested by the Committee and reasonably required for the proper administration of the Plan or a Component Benefit. Failure on the part of any person to comply with any such request within a reasonable period of time shall be sufficient ground for delay in the payment of any benefits that may be due under the Plan or a Component Benefit until such information or proof is received by the Committee. If any person claiming benefits under the Plan or a Component Benefit makes a false statement that is material to such person's claim for benefits,

the Committee may offset against future payment any amount paid to such person to which such person was not entitled under the provisions of the Plan or a Component Benefit.

7.06. Non-Alienation.

Except to the extent provided in a Component Benefit, no participant, beneficiary, or any other person shall have any right or power, by draft, assignment, or otherwise, to assign, mortgage, pledge, or otherwise encumber in advance any interest in or portion of the Trust, or any benefit provided under a Component Benefit, or to give any order in advance upon the Trustee therefor; and every attempted draft, assignment, or other disposition thereof shall be void. Notwithstanding the foregoing, the Plan shall comply with Section 609(a) of ERISA and the regulations thereunder with respect to all Qualified Medical Child Support Orders received by the Plan on or after August 9, 1993, in accordance with such written procedures as shall be established by the Committee.

7.07. Spendthrift Provisions.

The Plan shall not be liable in any way, whether by process of law or otherwise, for the debts or other obligations of any participant, beneficiary, or other person. Except to the extent provided in a Component Benefit, benefits payable under a Component Benefit shall not be subject, in any manner, to anticipation, alienation, sale, transfer, or assignment by any person, and any attempt to anticipate, alienate, sell, transfer or assign such benefits shall be void.

7.08. Non-Guarantee.

Neither GTE, the Employer, nor any fiduciary shall be held or deemed in any manner to guarantee the Plan or a Component Benefit against loss or depreciation.

7.09. Employment Rights.

Neither the establishment nor the continuance of the Plan or of any Component Benefit(s) shall be construed as conferring any legal rights upon any employee of the Employer or any other person for a continuation of employment, nor shall such establishment or continuance interfere with the right of the Employer to discharge any employee or any other person or to deal with him without regard to the existence of the Plan or the Component Benefit.

7.10. Incapacity.

If the Plan Administrator determines that any person entitled to benefits hereunder is unable to care for his affairs because of illness or accident, any payment due (unless a duly qualified guardian or other legal representative has been appointed) may be paid for the benefit of such person to his spouse, parent, brother, sister, or other party deemed by the Plan Administrator to have incurred expenses for such person. Payments made pursuant to this Section shall completely discharge the Plan, the Plan Administrator, the Company and the Employer of any liability to the Participant or other person arising under the Plan.

SECTION 8. STATUTORY CONTINUATION COVERAGE**8.01. General Rule.**

If a "qualified beneficiary" described in subsection 8.02 hereof becomes ineligible for coverage under the Plan by reason of a "qualifying event" described in subsection 8.03 hereof, such qualified beneficiary shall be eligible to elect, within the election period described in subsection 8.05 hereof, the continued coverage described in subsection 8.06 hereof. For purposes of this Section 8, Employee shall be as defined in Section 2.01 of GTE CHOICES, except that its definition shall include retired Employees.

8.02. Qualified Beneficiary.

For purposes of this Section 8, the term "qualified beneficiary" shall mean the following:

- (a) In the case of a qualifying event described in paragraph (a) or (c) of subsection 8.03, any individual who, on the day before such qualifying event, was covered under the Plan as the spouse or dependent child of the Employee (other than an Employee who was a nonresident alien with no United-States-source earned income during the period in which he was covered under the Plan by reason of his employment) with respect to whom the qualifying event occurred;
- (b) In the case of a qualifying event described in paragraph (b) of subsection 8.03, any Employee (other than an Employee who was a nonresident alien with no United-States-source earned income during the period in which he was covered under the Plan by reason of his employment) with respect to whom the qualifying event occurred, and any individual who, on the day before such qualifying event, was covered under the Plan as the spouse or dependent child of such Employee;
- (c) In the case of a qualifying event described in paragraph (d) of subsection 8.03 hereof, any individual who, on the day before such qualifying event, was covered under the Plan as the dependent child of an Employee (other than an Employee who was a nonresident alien with no United-States-source earned income during the period in which he was covered under the Plan by reason of his employment).

8.03. Qualifying Events.

For purposes of this Section 8, the term "qualifying event" shall mean, with respect to any Employee, any of the following events that would result in the loss of coverage of a qualified beneficiary:

- (a) The death of an Employee;
- (b) The termination of an Employee's employment with the Employer (other than a termination by reason of such Employee's gross misconduct) or a reduction in an Employee's hours of employment with the Employer;
- (c) The divorce or legal separation of the Employee from the Employee's spouse; or
- (d) An Employee's dependent child's ceasing to qualify as a Dependent under the Plan;

except, that Section 8.03(b) above shall not constitute a qualifying event with respect to retiree medical coverage.

8.04. Notice Provisions.

Notice shall be provided, in accordance with regulations prescribed by the Secretary of the Treasury, in the following circumstances:

- (a) At the time of an Employee's commencement of participation in the Plan pursuant to subsection 3.01 hereof, the Plan Administrator shall provide written notice to such Employee and the spouse (if any) of such Employee of the rights provided under this Section 8.
- (b) The Employer of an Employee shall notify the Plan Administrator, within 30 days after the date of the qualifying event, that a qualifying event described in paragraph (a) or (b) of subsection 8.03 hereof has occurred with respect to such Employee.
- (c) Each qualified beneficiary with respect to whom a qualifying event described in paragraph (c) or (d) of subsection 8.03 hereof occurs shall be responsible for notifying the Plan Administrator in writing, within 60 days after the date of the qualifying event, that such qualifying event has occurred. If the qualified beneficiary does not send the notice described in this paragraph (c) to the Plan Administrator within 60 days after the later of the date of the qualifying event or the date that the qualified beneficiary loses coverage on account of the qualifying event, the qualified beneficiary shall not be eligible to elect coverage under this Section 8.
- (d) Each qualified beneficiary who is determined to have been disabled for purposes of the Social Security Act at the time a qualifying event described in paragraph (b) of subsection 8.03 hereof occurs shall be responsible for notifying the Plan Administrator in writing, within 60 days after the date of the disability determination, that the disability determination has been made, and shall be responsible for notifying the Plan Administrator in writing, within 30 days after the date of any final determination that the qualified beneficiary is no longer disabled for purposes of the Social Security Act, that the final determination has been made.

- (e) To the extent required by subparagraphs (1), (2), and (3), below, the Plan Administrator shall notify any qualified beneficiary with respect to whom a qualifying event has occurred of such qualified beneficiary's rights under this Section 8:
- (1) In the case of a qualifying event described in paragraph (a) or (b) of subsection 8.03 hereof, the Plan Administrator shall give such notice within 14 days of the date on which the Employer notifies the Plan Administrator of the qualifying event pursuant to paragraph (b) of this subsection 8.04;
 - (2) In the case of a qualifying event described in paragraph (c) or (d) of subsection 8.03 hereof with respect to which the Employee or qualified beneficiary has notified the Plan Administrator pursuant to paragraph (c) of this subsection 8.04, the Plan Administrator shall give such notice within 14 days of the date on which the Plan Administrator receives the notice described in paragraph (c) of this subsection 8.04; and
 - (3) Any notice given pursuant to subparagraph (1) or (2), above, to a qualified beneficiary who is the spouse of an Employee shall be treated as notice to all other qualified beneficiaries residing with such spouse at the time of such notice.

8.05. Election Provisions.

A qualified beneficiary who becomes eligible for coverage pursuant to this Section 8 shall not be covered under this Section 8 unless such qualified beneficiary files a coverage election with the Plan Administrator in the manner prescribed by the Plan Administrator.

- (a) Time of Election. A qualified beneficiary's written coverage election must be filed with the Plan Administrator during the period that:
- (1) Begins not later than the date on which the qualified beneficiary loses coverage under the Plan by reason of a qualifying event described in subsection 8.03, above; and
 - (2) Ends not earlier than 60 days after the later of:
 - (A) the date described in paragraph (1), above; or
 - (B) the date on which the Plan Administrator provides the notice described in paragraph (e) of subsection 8.04 hereof.
- (b) Manner of Election. Each qualified beneficiary may make a separate election with respect to the coverage provided under this Section 8. However, a qualified beneficiary who is an Employee or who is the spouse of an Employee may make a binding election to provide another qualified beneficiary with coverage under this Section 8. An election on behalf of a minor child may be made by the child's parent

or legal guardian. An election on behalf of a qualified beneficiary who is incapacitated or who dies may be made by the spouse or legal representative of the qualified beneficiary, or by his estate.

- (c) Waiver of Coverage. A qualified beneficiary who waives coverage under this Section 8 may revoke the waiver at any time before the end of the election period described above, provided that coverage under this Section 8 shall be effective from the date of the revocation and shall not apply retroactively to the period between the date of the qualifying event and the date of the revocation.

8.06. Coverage Provisions.

The coverage provided pursuant to this Section 8 shall be as follows:

- (a) Type of Coverage. The coverage shall consist of coverage that, as of the time the coverage is being provided, is identical with the coverage provided to similarly situated beneficiaries under the Plan with respect to whom a qualifying event has not occurred. If coverage under the Plan is modified for any group of similarly situated beneficiaries, the coverage under this Section 8 shall be modified in the same manner for the corresponding group of qualified beneficiaries covered pursuant to this Section 8.

- (b) Period of Coverage. The coverage shall extend for a period beginning on the date of the first qualifying event to occur with respect to a qualified beneficiary covered pursuant to this Section 8 (except as provided in subsection 8.05(c), above, with respect to the revocation of a waiver of coverage) and ending not earlier than the earliest of the following dates that is applicable (except as provided in paragraph (c), below, with respect to Medicare entitlement):

- (1) in the case of a qualifying event described in paragraph (b) of subsection 8.03 hereof, whichever of the following dates is applicable:

- (A) if a second qualifying event occurs before the end of the period described in clause (B) or (C), below, or in subparagraph (2), below, whichever is applicable, the date that is 36 months after the date of the first qualifying event (provided that this 36-month period of coverage shall apply only to an individual who is a qualified beneficiary with respect to both qualifying events); or

- (B) in the case of a qualified beneficiary who is determined to have been disabled for purposes of the Social Security Act at the time a qualifying event described in paragraph (b) of subsection 8.03 hereof occurs, and who provides the Plan Administrator with notice of the disability determination pursuant to subsection 8.04(d) hereof within 18 months after the date of the qualifying event, the date that is 29 months after the date of the qualifying event; or

- (C) in all other cases, the date that is 18 months after the date of the qualifying event;
- (2) in the case of a qualified beneficiary who is determined to have been disabled for purposes of the Social Security Act at the time a qualifying event described in paragraph (b) of subsection 8.04 hereof occurs, and who is subsequently determined to have ceased to be disabled for purposes of the Social Security Act, the later of:
 - (A) the date that is 18 months after the date of the qualifying event; or
 - (B) the first day of the month that begins more than 30 days after the date of a final determination that the qualified beneficiary is no longer disabled;
- (3) in the case of a qualifying event not described in paragraph (b) of subsection 8.03 hereof, the date that is 36 months after the date of the qualifying event;
- (4) in the case of any qualifying event, the date on which the Employer ceases to maintain any group health plans;
- (5) in the case of any qualifying event, the date on which coverage ceases by reason of the qualified beneficiary's failure to make timely payment of the premium required under subsection 8.07 hereof; or
- (6) in the case of any qualifying event, the date of the first of the following events to occur after the date of the election described in subsection 8.05 hereof:
 - (A) the qualified beneficiary first becomes covered under any other group health plan (as an employee or otherwise), provided that this clause shall apply only if the other group health plan does not contain any exclusion or limitation with respect to any pre-existing condition of such qualified beneficiary; or
 - (B) the qualified beneficiary first becomes entitled to benefits under Medicare.
- (c) Extension of Coverage Following Medicare Entitlement. If an Employee becomes entitled to benefits under Medicare, and a qualifying event described in subsection 8.03(b) hereof (relating to a termination of employment or reduction in hours) occurs with respect to the Employee on or after the date of his Medicare entitlement, the period of coverage provided under subsection 8.06(b)(1) or (2) hereof with respect to the qualifying event described in subsection 8.03(b) hereof shall not terminate on the date of the Employee's Medicare entitlement. The extended

coverage described in this paragraph (c) shall not apply to the Employee who becomes entitled to benefits under Medicare, but shall apply to any other individual who is a qualified beneficiary with respect to the qualifying event described in subsection 8.03(b) hereof.

8.07. Premium Conditions.

A qualified beneficiary who becomes eligible for coverage pursuant to this Section 8 shall not be covered under this Section 8, or shall not continue to be covered under this Section 8, unless such qualified beneficiary pays premiums in accordance with the following rules:

- (a) Amount of Premium. Except as provided in the following sentence, the premium for any period of coverage under this Section 8 shall be an amount prescribed by the Plan Administrator that does not exceed 102 percent of the "applicable premium" for such period. In the case of a qualified beneficiary described in subsection 8.06(b)(1)(B) hereof whose coverage has been extended beyond 18 months because he is disabled, the premium for any period of coverage under this Section 8 that follows the 18th month of such coverage shall be an amount prescribed by the Plan Administrator that does not exceed 150 percent of the "applicable premium" for such period. The Plan Administrator shall determine the "applicable premium" as follows:

- (1) Except as provided in subparagraph (2), below, the applicable premium with respect to any period of coverage for a qualified beneficiary under this Section 8 shall be equal to a reasonable estimate of the cost to the Plan of providing coverage for such period for similarly situated beneficiaries with respect to whom a qualifying event has not occurred, determined

- (A) on an actuarial basis;
- (B) taking into account such factors as the Secretary of the Treasury may prescribe in regulations; and
- (C) without regard to whether such cost is paid by the Employer or by an Employee.

- (2) Except as provided in subparagraph (3), below, if the Plan Administrator elects to have this subparagraph (2) apply, the "applicable premium" with respect to any period of coverage for a qualified beneficiary under this Section 8 shall be equal to:

- (A) the cost to the Plan of providing coverage for similarly situated beneficiaries with respect to whom a qualifying event has not occurred, determined for the same period occurring during the preceding determination period (as defined in subparagraph (4) below), adjusted by
- (B) the percentage increase or decrease in the implicit price

deflator of the gross national product (calculated by the Department of Commerce and published in the Survey of Current Business) for the 12-month period ending on the last day of the sixth month of such preceding determination period.

- (3) The Plan Administrator shall not calculate the applicable premium under subparagraph (2), above, in any case in which there is any significant difference (determined at the time the applicable premium is calculated) in coverage under the Plan, or in employees covered by the Plan, between the determination period for which the applicable premium is calculated and the preceding determination period.
 - (4) The Plan Administrator shall calculate the applicable premium for a period of 12 months (the "determination period") established by the Plan Administrator and applied consistently from year to year. The Plan Administrator shall calculate the applicable premium before the beginning of such determination period.
- (b) Payment of Premiums. A qualified beneficiary who has elected coverage pursuant to this Section 8 shall pay the premium prescribed by this subsection 8.06 to the Plan Administrator in accordance with the following rules:
- (1) Initial Premium. If a qualified beneficiary has elected coverage under this Section 8 after the date of a qualifying event, the qualified beneficiary shall pay, no later than 45 days after the date of such election, the premium for the period of coverage from the date of the qualifying event to the last day of the month in which the election is made, provided that the qualified beneficiary shall not be required to pay the premium with respect to a period during which the qualified beneficiary had waived coverage under this Section 8.
 - (2) Subsequent Premiums. The premium for subsequent periods of coverage under this Section 8 shall be due at the beginning of each month during which such coverage remains in effect, provided that a premium shall be deemed to be timely if it is paid no later than 30 days after the date on which it became due pursuant to this subparagraph (2).

8.08. Other Rules.

- (a) Insurability. Coverage under this Section 8 shall not be conditioned on evidence of insurability and shall not discriminate on the basis of lack of insurability.
- (b) Applicability of Plan Provisions. A qualified beneficiary who elects to receive continued coverage under this Section 8 shall be subject to the provisions of the Plan that applied to such qualified beneficiary prior to the qualifying event.

SCHEDULE A

The Plan for Group Insurance - Medical and Dental Component Benefits as provided in:

- **GTE CHOICES**
- **GTE DIRECTFLEX**
- **All medical and dental benefit plans comprising the Contel Employees' Benefit Trust, as merged into the GTE Plan for Group Insurance effective January 1, 1992.**
- **The attached Schedule 1 of Summary Plan Descriptions (excluding Component Benefits for any group of participants in a collectively bargained VEBA).**
- **The attached Schedule 2 of Summary Plan Descriptions for medical and dental benefits provided to companies divested by GTE.**

7

**SCHEDULE 2 TO THE PLAN FOR GROUP INSURANCE
SUMMARY PLAN DESCRIPTIONS OF MEDICAL AND DENTAL
BENEFITS FOR THE FOLLOWING GTE DIVESTED COMPANIES:**

GTESS-CSC-EL Paso (Hourly)
GTESS-CSC-San Carlos (Union)
GTESS-CSC-Albuquerque (Union)
GTE Sprint Communications Corporation
GTE Products Corporation - Commonwealth Manufacturing
GTESS - Upstate New York
GTESS - Gibson Electric
GTESS - Comp-Acct
GTE Export Corporation
GTESS - W.B. Driver (OLD)
GTESS - W.B. Driver
GTE Products Corporation - Weego Div.
GTESS - W.B. Driver (Old Salary)
GTESS - W.M. Chace
GTE Electrical Equipment (Salary)
GTE Consumer Communications Products
GTE Electrical Products - Walmet Division
GTE Support Services Incorporated
GTE Shareholder Services Incorporated
GTE Electrical Products - American Mine & Tool Division
GTE Products Corporation - Asheville
GTESS - CSC - (Union)
GTESS - CSC - (Non-union)
GTESS - CSC - Huntsville, AL
GTE Communication Systems Corporation
GTE Products Corporation - Hourly Pension Plan

ATTACHMENT III

TRUST AGREEMENT

TRUST AGREEMENT

Between

GTE SERVICE CORPORATION

and

STATE STREET BANK AND TRUST COMPANY

THIS TRUST AGREEMENT, dated and effective as of September 30, 1991, entered into by GTE SERVICE CORPORATION, a New York corporation (hereinafter called the "Company"), and STATE STREET BANK AND TRUST COMPANY, a National banking association organized and existing under the laws of the United States (hereinafter call the "Trustee").

WITNESSETH THAT

WHEREAS, GTE Corporation, a New York corporation and the parent of the Company, has adopted an employee health benefit plan (such plan as amended to date and as it may be amended hereafter is hereinafter called the "Plan") for the benefit of certain employees (whose benefits are subject to collective bargaining) of corporations in its controlled group of corporations and certain other affiliated employers as provided in the Plan, and a copy of the Plan has been delivered to the Trustee; and

WHEREAS, the Company is the administrator of the Plan and is authorized to enter into this Agreement with the Trustee as a funding medium for the Plan; and

WHEREAS, the Company intends that the trust created by this Trust Agreement shall constitute a part of the Plan, that together with such Plan, the trust shall qualify as a voluntary employees' beneficiary association ("VEBA") under Section 501(c)(9) of the Internal Revenue Code of 1986, as amended from time to time (hereinafter called the "Code"), shall be exempt from Federal income

tax under Section 501(a) of the Code, and shall satisfy the requirements of the Employee Retirement Income Security Act of 1974, as amended from time to time (hereinafter called "ERISA").

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter stated, the Company and the Trustee do hereby declare and agree, each with the other, as follows:

SECTION 1. The Company hereby establishes with the Trustee a trust to fund and pay the benefits and other liabilities of the Plan. The trust property shall comprise all sums of money, securities and other property now held by the Trustee for the purposes of the trust and such other sums of money, securities and other property acceptable to the Trustee as shall from time to time be paid or delivered to the Trustee for such purposes together with the earnings and profits thereon. All such money, securities and other property, all investments made therewith and proceeds thereof and all earnings and profits thereon, less the payments which at the time of reference shall have been made by the Trustee in accordance with this Agreement, are hereinafter called the "Trust Fund." The Trust Fund shall be held by the Trustee in trust and dealt with in accordance with the provisions of this Agreement.

SECTION 2. It shall be the duty of the Trustee to (a) hold, invest and reinvest the Trust Fund as provided herein; and (b) make payments or transfers from or within the Trust Fund on the order of the Company or the Company's Employee Benefits Committee (hereinafter

called the "Committee") or on the order of any agent designated in writing by the Company or the Committee. The Trustee shall not be responsible for (i) the propriety of such payments or transfers or (ii) the administration of the Plan, or (iii) for any property not paid or delivered to the Trustee, and the Trustee shall be under no duty to enforce payment of any contributions to the Plan.

SECTION 3. Subject to the provisions of Section 9 hereof and ERISA, the Trustee shall invest and reinvest the Trust Fund and keep the Trust Fund invested, without distinction between principal and income, in any and all common stocks, preferred stocks, bonds, debentures, mortgages on real or personal property wherever situated, equipment trust certificates, certificates of deposit or demand or time deposits (including, to the extent permitted by applicable federal, any such certificates of deposit or demand or time deposits with the Trustee or an affiliate of the Trustee which bear a reasonable rate of interest), notes or other evidences of indebtedness, or other securities, and in any other property or joint or other part interest in property (including, without limitation, part interests in bonds and mortgages or notes and mortgages), real or personal, foreign (including non-United States) or domestic and wherever situated and of any kind, class or character, which the Trustee may in its discretion deem suitable for the Trust Fund; provided that, except as authorized by the Secretary of Labor by regulation, the indicia of ownership of all property held in the Trust Fund shall be retained within the jurisdiction of the District Courts of the United States. Such investment and reinvestment shall

not be restricted to property authorized for investment by trustees under any present or future law of any State.

SECTION 4. Subject to the provisions of Section 9 hereof and ERISA, the Trustee is authorized and empowered in its discretion, but not by way of limitation:

(a) to sell, exchange, convey, transfer or otherwise dispose of any property, real or personal, at any time held by it, by private contract or at public auction, upon such conditions, at such prices and in such manner as the Trustee shall deem advisable, and no person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;

(b) to vote upon any stocks, bonds or other securities and to give general or special proxies or powers of attorney with or without power of substitution, to sell or exercise any conversion privileges, subscription rights or other options and to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations, mergers, consolidations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities or other property held in the Trust Fund;

(c) to hold property in the Trust Fund in its own name or in the name of one or more of its nominees or one or more nominees of any system for the central handling of securities and to hold any investment in bearer form, but the books and records of the Trustee

shall at all times show that all such investments are part of the Trust Fund;

(d) to manage, administer, operate, lease for any number of years, regardless of any restrictions on leases made by fiduciaries, develop, improve, repair, alter, demolish, mortgage, pledge, grant options with respect to or otherwise deal with any real property or interest therein at any time held by it;

(e) to employ suitable agents, auditors and legal counsel or other advisers, and to pay their reasonable expenses and compensation;

(f) to compromise, compound, settle or arbitrate any claim, debt or obligation due to or from it as Trustee and to reduce the rate of interest on, extend or otherwise modify, or to foreclose upon default or otherwise enforce any such obligation; to bid in property on foreclosure or to take a deed in lieu of foreclosure with or without paying consideration therefor and in connection therewith to release the obligation on the bond secured by the mortgage; provided, however, that the Trustee shall not be required to take any action under this paragraph unless it shall have been indemnified by the Company to its reasonable satisfaction against liability or expenses it might incur therefrom;

(g) to the extent permitted by applicable federal law, to commingle part or all of the Trust Fund in or with one or more group trusts, common or collective trust funds or pooled investment funds, whether now existing or hereafter created, including any such funds maintained by the Trustee or an affiliate of the Trustee, in which the collective investment of funds of a VEBA is permitted under the

code and other applicable federal law; provided, however, that the Trustee's books and records shall at all times show the equitable share of the Trust Fund in any such common fund;

(h) to borrow money in such amounts and upon such terms and conditions as shall be deemed advisable or necessary to carry out the purposes of the Trust and to pledge any securities or other property of the Trust for the repayment of any such loan; provided, however, that no such loan or advance shall be made to the Trust by the Trustee, other than temporary advances to the Trust on a cash or overdraft basis on which no interest is payable; and

(i) to make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or proper to carry out the powers herein granted.

SECTION 5. All reasonable expenses of administration and management of the Plan and the Trust Fund, including all administrative expenses incurred by the Trustee in the performance of its duties (including fees for legal services rendered to the Trustee, such compensation to the Trustee as may be agreed upon from time to time between the Company and the Trustee and evidenced by a writing signed by an officer of the Company, and all other proper charges and disbursements of the Trustee), brokerage costs and transfer taxes incurred in connection with the investment and reinvestment of the Trust Fund, all expenses incurred in connection with the acquisition, disposition or holding of real or personal property, any interest therein or mortgage thereon, and all income

taxes or other taxes of any kind that may be levied or assessed under existing or future laws upon or in respect of the Trust Fund, shall be paid from the Trust Fund, except to the extent paid by the Company. Notwithstanding the preceding provisions of this Section 5, (a) the administrative expenses incurred by the Trustee in the performance of its duties shall be paid from the Trust Fund only if and to the extent that the Trustee has submitted to the Company and the Company has reviewed and approved a detailed statement of such fees and other expenses, and (b) the fees and expenses of any investment manager shall be paid from the Trust Fund only if and to the extent that the Company has reviewed and approved such fees and other expenses, and in either case the Company has directed the Trustee to withdraw monies from the Trust Fund in an amount sufficient to cover such fees and other expenses. All such expenses, until paid, shall constitute a charge upon the Trust Fund and if not paid by the Company within 90 days after becoming due may be withdrawn from the Trust Fund.

SECTION 6. The Trustee shall keep full accounts of all of its receipts and disbursements hereunder. The Trustee's financial statements, books and records with respect to the Trust Fund shall be open to inspection by the Company or the Committee or their agents at all reasonable times during the business hours of the Trustee and may be audited by independent public accountants engaged by the Company or the Committee. Within 90 days after the close of each year or of any date of termination of the duties of the Trustee, the Trustee shall mail to the Company an account or accounts of its transactions

as trustee hereunder. If within 90 days after receipt of such account or accounts the Company has not delivered to the Trustee any written notice of objection to such account or accounts, such account or accounts shall become an account or accounts stated between the Trustee and the Company and the Trustee shall be released and discharged from all liability with respect to the transactions fully and fairly shown in such account or accounts as if such account or accounts had been settled and allowed by a judgment or decree of a court of competent jurisdiction in a proceeding in which the Trustee and the Company were the sole parties. The Trustee or the Company shall have the right to apply to a court of competent jurisdiction for judicial settlement of any account of the Trustee not previously settled as herein provided. In any such action or proceeding it shall be necessary to join as parties only the Trustee and the Company (although the Trustee or the Company may also join such other parties as it may deem appropriate), and any judgment or decree entered therein shall be conclusive.

SECTION 7. The Trustee may resign at any time upon 60 days notice in writing to the Company. The Trustee may be removed by the Company, pursuant to a resolution of the Company's Board of Directors, at any time upon 60 days notice in writing to the Trustee. Within 60 days after such notice of such resignation or removal of the Trustee, the Company, pursuant to a resolution of its Board of Directors, shall appoint a successor trustee. Any successor trustee shall have the same powers and duties as those conferred upon the Trustee hereunder, and, subject to receipt by the Trustee of written

acceptance of such appointment by the successor trustee, the Trustee shall assign, transfer and pay over to such successor trustee the money, securities and other property then constituting the Trust Fund. If within sixty days of the delivery of the Trustee's notice of resignation a successor Trustee shall not have been appointed, the Trustee may apply to any court of competent jurisdiction for the appointment of a successor trustee.

SECTION 8. The Trustee shall be fully protected in relying upon the authenticity of:

(a) copies of resolutions of the Board of Directors of the Company or the Committee certified, as the case may be, by the Company's Secretary or Assistant Secretary under its corporate seal or by the Secretary of the Committee;

(b) written communications from the Company signed by one or more of the Company's duly authorized officers, employees or agents; or

(c) written communications from the Committee signed by two or more members of the Committee or its duly authorized agent.

The authorization of the Company's officers, employees and agents and the membership of the Committee shall be evidenced by a resolution of the Board of Directors of the Company. The Company or the Committee from time to time shall furnish or cause to be furnished to the Trustee a certificate of the Secretary or an Assistant Secretary of the Company or Committee, as the case may be, as to the names and signatures of all persons designated as members

of any committee, and of any agent or agents or other person or persons, authorized to issue orders, requests, instructions and objections to the Trustee pursuant to the provisions of this Agreement. All orders, requests, instructions and objections of any of such agents, persons or committees authorized to act in accordance with the provisions of this Agreement shall be in writing, unless such grant of authority specifically authorizes the order, request, instruction or objection to be given orally, and the Trustee shall be fully protected in acting in accordance therewith. The Trustee shall have the right to assume in the absence of written notice to the contrary, that no event constituting a change in membership or authority of any such committee or terminating the authority of any such agent or person to act hereunder or in connection with this Agreement has occurred.

To the extent permitted by applicable law, the Company shall indemnify and hold harmless the Trustee for any liability or expense, including, without limitation, reasonable attorney's fees, incurred by the Trustee solely by reason of any act done or omitted to be done by the Trustee in compliance with any written order or direction of the Company, the Committee or any Investment Manager.

SECTION 9. The Company shall from time to time specify by written notice to the Trustee whether the investment and reinvestment of the Trust Fund (or any portion thereof), in the manner provided in Section 3 hereof, shall be managed by the Trustee, or shall be managed by one or more investment managers (hereinafter called an "Investment Manager") appointed by the Company, or whether both the

Trustee and one or more Investment Managers are to participate in investment management and if so how the investment responsibility is to be divided with respect to assets, classes of assets or separate investment funds specified and defined in such notice. Any such Investment Manager shall be (a) registered as an investment adviser under the Investment Advisers Act of 1940, (b) a bank as defined in the Investment Advisers Act of 1940, or (c) an insurance company qualified to manage, acquire or dispose of any asset in the Trust Fund under the laws of more than one State. If the Trust Fund is to be managed in whole or in part by an Investment Manager, the Trustee shall be given copies of the instructions appointing the Investment Manager and evidencing its acceptance of such appointment and acknowledgment that it is a fiduciary of the Plan and, where required, a certificate evidencing the Investment Manager's registration under the Investment Advisers Act of 1940. The Trustee may continue to rely upon such instruments and certificate as evidence of the Investment Manager's authority to manage, acquire and dispose of assets of the Trust Fund until otherwise notified in writing by the Company. The Trustee shall not be a party to any agreement between the Company and the Investment Manager, and the Trustee shall not be responsible for the terms and conditions of any such agreement.

The Investment Manager shall furnish the Trustee from time to time with the names and signature of those persons who shall be authorized to instruct the Trustee on its behalf hereunder. The Trustee shall have the right to request that all instructions of an Investment Manager pursuant to this Agreement be in writing and shall